Chapter 1

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Overview

Fixed Assets Subsystem

Introduction

The Fixed Assets Subsystem (FA) supports the accounting and management of physical property items. It supports many types of fixed assets such as land, buildings, improvements other than buildings, equipment, and construction in progress. Fixed Assets works with other IFMS subsystems to support fiscal and risk management as well as standard reporting. The Fixed Assets Subsystem maintains the original and subsequent value of assets, as well as replacement values.

The activities supported in the Fixed Assets Subsystem are:

Acquiring an asset

Betterment of an asset

Transferring ownership of an asset

Transferring accounting information of an asset

Manually depreciating an asset

Disposing of an asset

In addition, the Fixed Assets Subsystem allows for the automatic computation of depreciation amounts.

This documentation is current as of the 5.1E7 subrelease.

Fixed Asset Classification

The Fixed Assets Subsystem is used to track capitalized fixed assets, as well as general property items that are expensed. The distinction between an asset being capitalized or expensed is important for posting purposes. In the Fixed Asset Subsystem, an indicator is stored with each fixed asset type to determine if the asset and its betterments represent a capitalized item or an expensed property item. The capitalized asset indicator is used to determine whether

general ledger postings should be generated for the acquisition, transfer, or disposal of the asset. Capitalized assets may also be subject to depreciation and gains/losses on transfers or disposals.

Capitalization of a fixed asset is determined based on one of the three criteria:

A user-defined dollar amount threshold **and** minimum useful life specified on the Fixed Assets Capitalization Threshold Table (FACT)

The FA indicator on the Budget Object Code Table (BOCT) alone

A combination of the threshold/useful life and Budget Object Code

Fixed Assets Processing Chains

The Fixed Assets processing chain is the series of accounting procedures and paper flows that you use when you are tracking a fixed asset. The Fixed Assets processing chain is a combination of four different steps: acquisition, betterment, disposition, and manual depreciation. The processing chain can exist in many combinations, but the acquisition of the fixed asset must always precede any other step.

Using Transactions to Create Fixed Assets Processing Chains

You create Fixed Assets processing chains in IFMS by entering Fixed Asset transactions. Each Fixed Asset transaction represents a step in the Fixed Assets process. The following table lists each Fixed Assets processing step, the step's corresponding Fixed Asset transaction, the transaction's transaction code, and the appropriate uses for each of the transactions.

Processing Step	Fixed Asset Transaction	Trans	What the Transaction Records
Acquisition	Fixed Asset Acquisition	FA	Records a new fixed asset in IFMS
Betterment	Fixed Asset Betterment	FB	Records a betterment or upgrade to a recorded fixed asset
Transfer ownership	Fixed Asset Transfer	FT	Records ownership transfers of fixed assets
Transfer accounting	Fixed Asset Accounting Code Transfer	FR	Records accounting transfers of fixed assets
Disposition	Fixed Asset Disposition	FD	Records the disposition of assets as a results of destruction, obsolescence, etc.
Manual Depreciation	Fixed Asset Manual Depreciation	FM	Records the manual calculation of depreciation of fixed assets

The following example describes a model processing chain in the management of fixed assets.

Example:

Your agency acquires a new fixed asset such as a personal computer. The acquisition is recorded in IFMS with the Fixed Assets Acquisition Transaction (FA).

The finance office realizes an incorrect program element was used on when the asset was entered into IFMS. The Fixed Assets Accounting Codes Transaction (FR) is used to enter the correct program code.

After some time, your agency upgrades the personal computer by adding a hard disk drive. This upgrade, or betterment, is recorded with the Fixed Assets Betterment Transaction (FB). At this time, both the original acquisition and the betterment is maintained in IFMS.

Eventually, your agency transfers the PC to another division. The Fixed Assets Transfer Transaction (FT) is used to record the transfer to the other division. The Fixed Assets Subsystem records the asset for the new owner.

The new office adds more memory to the PC. This upgrade is recorded with the Fixed Assets Betterment Transaction (FB).

The new office then discovers that the PC requires manual depreciation. To record the new depreciation, the Fixed Assets Manual Depreciation Transaction (FM) is used.

Finally, the PC is destroyed when the building where it is stored is damaged by fire. The disposition of the PC is recorded with the Fixed Asset Disposition Transaction (FD).

As you can see from the above example, many combinations of Fixed Assets transactions can be used to support different Fixed Assets processing chains.

Summary

The Fixed Assets Subsystem supports the accounting and management of physical property items, such as land, buildings, improvements other than buildings, equipment, and construction in progress. Using Fixed Assets Subsystem documents, you can record the acquisition of an asset, the betterment of an asset, the transfer of ownership of an asset, the transfer of accounting codes of an asset, the manual depreciation of an asset, and the disposition of an asset.

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Fixed Asset Transactions

Acquiring an Asset

When your agency acquires fixed assets, the acquisition needs to be recorded in the Fixed Assets Subsystem. You do this by entering a Fixed Asset Acquisition Transaction (FA). Note that the Fixed Asset Acquisition transaction only records the acquisition of the fixed assets in the Fixed Assets Subsystem. If the Payment to Update

Acquisition Cost flag is N on the Fixed Asset Acquisition transaction (FA)and the item is capitalized, the FA document will post the acquisition cost to the general journal.

Example:

You purchase, receive, and accept computer equipment from an outside vendor. These steps are accomplished using the Purchasing and Accounts Payable Subsystems. This equipment is designated as a capitalized fixed assets item valued at $25,000.00 with a salvage value of $1,000.00, and an estimated useful life of 4 years.

To record the acquisition of the asset in the Fixed Assets Subsystem, enter a Fixed Asset Acquisition transaction with all of the pertinent information about the fixed asset such as the decal number, FA type, acquisition price, depreciation method, salvage value, useful life, etc. IFMS uses this information to establish records for the asset in the Fixed Assets and General Ledger Subsystems.

Upgrading an Asset

A fixed asset betterment is an upgrade or an addition to an existing fixed asset. The Fixed Asset Betterment Transaction (FB) is used to record the upgrade or addition to the fixed asset. You can only use the Fixed Asset Betterment transaction if you recorded the original asset in the Fixed Assets Subsystem using the Fixed Asset Acquisition Transaction (FA). Each original asset is assigned a betterment level of zero (00) at the time of acquisition. Subsequent betterments to original fixed assets are assigned a betterment number by the user. If the Payment to Update Acquisition Cost flag is N on the Fixed Asset Betterment Document (FB) and the item is capitalized, the FB document will post the acquisition cost to the general journal.

Example:

You purchase, receive, and accept an additional piece of computer equipment related to the equipment that was purchased earlier. This second piece of equipment is designated as a betterment to the original equipment. The betterment is valued at $6,000.00, contains no salvage value, and is estimated to have a useful life of 4 years.

The actual purchase is recorded in IFMS using the Purchasing and the Accounts Payable Subsystems. The acquisition of the original fixed asset was recorded using a Fixed Asset Acquisition Transaction (FA). To record the betterment in the Fixed Assets Subsystem, you enter a Fixed Asset Betterment Transaction (FB) using the same decal number and FA type as the original fixed asset. In addition, you enter a unique number defining the betterment. Also, all of the pertinent information about the fixed asset betterment such as the acquisition price, depreciation method, salvage value, and useful life should be entered.

Transferring Ownership of an Asset

When the ownership of a fixed asset changes, the Fixed Asset Transfer Transaction (FT) records the transaction. This transaction is used when no financial events need to be recorded, i.e., it records a change in ownership only. The FT transaction allows transfer to a new decal number, new FA type, or new location.

The system will assume that the asset maintains its history unless you specifically indicate otherwise. This means the fixed asset record will be changed to reflect the new decal or location, but the acquisition date and cost will remain as they were prior to the transfer.

Transfers to New Accountable Areas

Generally, fixed assets are transferred from one accountable area to another. Transfers may occur at all levels of the fixed asset custodial accountability hierarchy (i.e., between Accountable Areas, Custodial Areas, Employees, and Property Administrators).

When transferring an asset to a new accountable area, the property management officer in the accountable area with current possession of the asset will enter a FT transaction with the old and new accountable areas. The transaction will be placed on HOLD, and the property management officer in the new accountable area will accept the transfer on the Fixed Asset Transfer Acceptance Table (FTAT). After this acceptance is performed, the transaction is processed and IFMS is updated with the new accountable area for the asset.

Accounting Transfers With History Maintained

When the accounting codes of an asset change, the Fixed Asset Accounting Code Transfer Transaction (FR) records the transaction.

When transferring an asset, the user must decide whether the asset will maintain its history of whether it will be established as a "new" acquisition under the new accounting structure. If an asset is to maintain its history, the fixed asset record will be changed to reflect the new accounting distribution, but the acquisition date and cost will remain as they were prior to the transfer. However, if the asset is to be treated as a "new" acquisition for the new accounting distribution, the fixed asset record will be updated to reflect new acquisition information. In this case, the acquisition date will be set to the date of transfer, and the acquisition cost will be set to either the original acquisition cost less accumulated depreciation or a transfer price which is entered by the user. The system will assume

that the asset maintains its history unless you specifically indicate otherwise.

Accounting entries are generated if the transfer results in a change of accounting codes or the transfer is reinstated as a new acquisition. If the fixed asset is capitalized, the Fixed Asset Accounting Code Transfer Transaction (FR) will reverse the acquisition cost and accumulated depreciation entries under the original accounting distribution and post entries for the new accounting distribution. The general ledger entries that may be posted for this transaction include:

- An entry to remove the asset's acquisition cost and accumulated depreciation from the old accounting structure

- An entry to record the asset's acquisition cost and accumulated depreciation to the new accounting structure

Transfers Treated as New Acquisitions

The user may decide to establish the asset as a 'new' acquisition under a new accounting structure. With this type of transfer, any or all attributes of the fixed asset may be changed on the FR transaction. For these transfers, the FR transaction is essentially disposing of the asset under the old accounting distribution and acquiring the asset under the new accounting distribution. The acquisition cost is set equal to the transfer price input by the user. The acquisition date will be set to the date on which the transfer took place and previously accumulated depreciation will be eliminated.

If the asset is capitalized, the Fixed Asset Accounting Code Transfer Transaction (FR) performs the entries necessary to remove the fixed asset from the seller's original accounting distribution and record the transferred fixed asset in the new owner's new accounting distribution. The actions performed from the seller's perspective are similar to those of a fixed asset disposal.

Because this type of transfer allows the user to record a transfer price that is different from the book value, the transfer may recognize a gain or loss under the old accounting distribution. The general ledger entries that may be posted for this transaction include:

An entry to record depreciation of the asset up to the date of transfer (if the asset type is depreciable)

An entry to remove the asset's acquisition cost and accumulated depreciation from the old accounting structure

An entry to record a gain or loss to the old accounting structure

An entry to record the asset's acquisition cost (transfer price) to the new accounting structure.

At the time of transfer, the FR transaction calculates the last period's depreciation. This is used to derive the current book value and allows the proper amount of gain or loss to be recognized.

If the transfer price of the item is found to be incorrect after the transfer has taken place, the gain or loss on transfer may be corrected by processing a Standard Voucher Transaction (SV).

Transferring Betterments Between Fixed Assets

When an asset is transferred to a new location (FT) or new accounting codes (FR), the betterments are usually transferred with the asset. To transfer a betterment independently of its asset, a Fixed Asset Transfer Transaction (FT) must be processed referencing the specific betterment. A betterment may only be transferred to an original existing asset. A betterment may not be transformed into an asset through the transfer process.

Manual Depreciation of an Asset

The Fixed Asset Manual Depreciation Transaction (FM) manually applies depreciation against an asset or any of its betterments. Typically, depreciation is computed through the Fixed Asset Depreciation offline process. However, prior to the sale of the asset, or in the event that the asset was previously not depreciable and subsequently needs to be depreciated, the Fixed Asset Manual Depreciation Transaction (FM) is used to record the manually computed depreciation.

Disposing of an Asset

A user can record the disposition of an asset by using the Fixed Asset Disposition Transaction (FD). Reasons why users might dispose of an asset include:

\# The result of an external sale

\# The destruction of the asset

\# The asset becoming obsolete

Several special cases exist regarding fixed asset disposal, including disposing of a fixed asset along with its betterments, disposing of a particular fixed asset or betterment only, updating the Fixed Asset records for the disposal, and recording the appropriate entries to the general ledger.

When a Fixed Asset Disposition Transaction (FD) is processed, IFMS automatically calculates the asset's depreciation as of the disposition date. The user enters the fixed asset type, decal number and disposition method for the asset. The selling price is entered to allow the subsystem to compute the amount of gain/loss on the disposal. The Fixed Assets Disposition Transaction (FD) will only post the transaction to the general ledger if the fixed asset is capitalized.

Group fixed assets (more than one fixed asset unit recorded in one fixed asset record) may be disposed in the same manner as that for a

single fixed asset (one fixed asset unit recorded in one fixed asset record). The subsystem will dispose of the whole fixed asset record rather than the number of units attributed to a fixed asset record, thus disposing all fixed asset units associated with the fixed asset number. If you want to dispose of some, but not all units, you must process a FA transaction to reduce the acquisition cost, salvage value, and number of units of the fixed asset record, reflecting the disposal on the Fixed Asset Subsystem tables. To reflect the partial disposal in the General Ledger Subsystem, a Standard Voucher Transaction (SV) is used to record this partial disposal.

When a fixed asset is disposed of, the following General Ledger postings are automatically generated by IFMS:

Debit to the sale-of-fixed-asset General Ledger account for an amount equal to the selling price.

Debit to the accumulated depreciation General Ledger account for the total accumulated depreciation to date.

Credit to the asset General Ledger account for the summary asset value.

Debit to the gain/loss-on-sale General Ledger account for the summary asset value less the summary accumulated deprecation less the selling price.

Example:

The equipment that you have acquired is destroyed when the building where it was stored is damaged by fire. To record the loss, you enter a Fixed Asset Disposition Transaction (FD) with the decal number, fixed asset type, and fixed asset betterment number of the asset that was destroyed. You must also enter the disposition method, disposition date, and disposition authority.

Summary

Using Fixed Assets transactions, you can record the acquisition of a fixed asset, upgrading or betterment of a fixed asset, change of ownership of a fixed asset, change of accounting of a fixed asset, manual depreciation of a fixed asset, and disposition of a fixed asset.

Fixed Assets Depreciation

The depreciation of fixed assets can be computed either manually, or automatically using the Fixed Asset Depreciation offline process. A fixed asset that will not be depreciated should have the depreciation method set to Not Applicable (NA) upon acquisition. This information is entered in the Fixed Asset Acquisition Transaction (FA). If the asset will be depreciated, the user must specify a depreciation method for the asset, or indicate depreciation will be computed manually for each fixed asset when it is acquired. Fixed assets with a manually computed depreciation method are ignored by the depreciation offline process.

Depreciation of Assets and Betterments

A fixed asset may consist of many records; the original asset and each betterment is a separate record in the Fixed Asset Subsystem. The off-line depreciation process will compute depreciation for the original asset and each betterment individually. Fixed asset records representing a group of fixed asset items are depreciated together as a single fixed asset item, as only one fixed asset number is assigned to the items.

The total accumulated depreciation on each active asset and betterment, if any, will be computed by the off-line process on a betterment-by-betterment basis.

Offline Depreciation Process

The fixed asset automated depreciation method computes depreciation from the acquisition date or the in-service date of the asset as indicated by the type of fixed asset. IFMS prorates depreciation that is computed for the first period based upon the period the asset was acquired or put into service.

Example:

On December 15, 1998, a fixed asset was recorded in the Fixed Assets Subsystem by entering a Fixed Asset Acquisition Document (FA). The acquisition date of the fixed asset was November 29, 1998. Depreciation calculations for this type of fixed asset were established to be based on the acquisition date.

If the Fixed Assets Depreciation program is executed on December 16, 1998, depreciation will be computed from the acquisition date of November 29, 1998, to the depreciation run date of December 16, 1998. The amount of depreciation for this first period is prorated to December 16, 1998.

To calculate depreciation from a date in the future, enter an acquisition date or an in-service date that indicates the period when the Fixed Assets Depreciation program should begin automatic depreciation computations.

The Fixed Asset Depreciation offline process automatically computes depreciation using one of four methods:

straight-line

sum-of-the-years'-digits

variable-declining-balance

double-declining balance

The program may be run monthly, quarterly, or annually, because the program computes total depreciation from the acquisition date or in-service date to the run date specified as a parameter. Current period depreciation is computed by subtracting the previous

accumulated depreciation from the newly computed total depreciation.

When depreciation is automatically computed, the total accumulated depreciation is recorded in the following journals and tables:

Fixed Assets Journal

General Journal

Project Journal

Project Table (PROJ)

Sub-project Table (SPRJ)

Installation-wide Project Table (IWPT)

Fixed Asset Summary Table (FASM)

Fixed Asset Betterment Tables (FBT1, FBT2)

General Ledger Balance Table (GLBL)

General Ledger Detail Balance Table (GLDB)

Monthly Summary General Ledger Table (MSGL)

The fixed assets to be depreciated are selected by fund. The fund code is a user-defined parameter. You may select as many funds as desired. Regardless of which of the four depreciation methods is used, the latest values of useful life, acquisition date or in-service date, asset value, salvage value, and accumulated depreciation are used to compute current period depreciation.

In the last period of an asset's useful life, the depreciation taken is the remaining un-depreciated value, if any. If the depreciation computed by one of the methods exceeds the remaining un-depreciated value (which is possible with sum-of-the-years'-digits and variable-declining-balance methods), the asset is depreciated only to its salvage value.

Example:

Assume that a machine is acquired costing $22,000, having a net residual value or salvage value of $2,000, and having an economic life of four years. Under the sum-of-the-years'-digits

method of depreciation, the depreciation taken in the last period (the fourth year) is the remaining un-depreciated amount of $2,000, therefore IFMS only depreciates the machine to its salvage value of $2000.

Manually Computed Depreciation

When the depreciation for an asset is manually computed, you enter depreciation into IFMS using the Fixed Asset Manual Depreciation Transaction (FM). For a description on entering a Fixed Asset Manual Depreciation Transaction, see Chapter 2.

Summary

You can compute the depreciation of fixed assets by running the Fixed Asset Depreciation offline process or by manually computing the depreciation using the Fixed Asset Manual Depreciation Transaction (FM). If the Fixed Asset Depreciation offline process is run, IFMS automatically computes the depreciation using one of these methods: straight-line, sum-of-the-years'-digits, variable-declining-balance, or double-declining-balance.

Fixed Assets Postings

The Fixed Asset Accounting Codes Table (FAAC) in combination with the General Ledger Effective Transaction Type Table (GLTT) is used to define the general ledger postings for fixed asset accounting events. The fiscal year and fixed asset type are the keys that maintain the transaction code and transaction type for a fixed asset acquisition or betterment. These transaction codes and transaction types are used to access the General Ledger Effective Transaction Type Table

(GLTT) to determine the appropriate postings for transfers, depreciation, gain/loss on the sale of an asset, and accumulated depreciation liquidation.

Asset Acquisition Posting

The asset acquisition transaction type is used by the fixed asset acquisition process to post the appropriate accounting entries to the general journal. Since the Fixed Asset Accounting Codes Table (FAAC) is keyed by fiscal year, fixed asset type, and acquisition method, different entries may be established for different types of assets based upon the method of acquisition. If the Payment to Update Acquisition Cost is Y on the Fixed Asset Acquisition Transaction (FA) or Fixed Asset Betterment Transaction (FB) for the asset, the payment of general ledger document which references the asset will update the general ledger.

Fixed Asset Transfer Posting

The general ledger entries for fixed asset transfers are made by the Fixed Asset Accounting Code Transfer Transaction (FR) through transaction type postings. The transaction types are inferred from the Fixed Asset Accounting Codes Table (FAAC) and the General Ledger Effective Transaction Type Table (GLTT) based on the current fiscal year, the acquisition transaction code, the acquisition transaction code, the acquisition transaction type, and the fixed asset type.

Offline Depreciation Postings

With the offline depreciation process, entries are made for each fund for whose corresponding Fund Table (FUND) entry indicates that depreciation is to be posted to the general ledger. The depreciation entries are posted directly to the general ledger based on the transaction type inferred from the General Ledger Effective Transaction Type Table (GLTT). The GLTT record will be accessed using the current fiscal year, fixed asset type, and the acquisition transaction code and transaction type derived from the Fixed Asset Accounting Codes Table (FAAC). The transaction code for the offline depreciation process is DP. The FAAC table also allows the user to specify a depreciation expense budget object code by fixed asset type.

Manual Depreciation Posting

The Fixed Asset Manual Depreciation Transaction (FM) will only post to the general ledger if the asset has a depreciation method set to MC (manually computed). Manually computed depreciation entries are also posted to the general ledger by using the transaction type postings on the General Ledger Effective Transaction Type Table (GLTT). These postings are inferred from the Fixed Asset Accounting Codes Table (FAAC) based on the fixed asset transaction code and fixed asset transaction type for the current fiscal year and the particular fixed type.

Fixed Asset Disposal Posting

The Fixed Asset Disposition Transaction (FD) will only post the transaction to the general ledger if the fixed asset is capitalized. The general ledger postings for the disposal will be based on the effective transaction types inferred from the General Ledger Effective Transaction Type Table (GLTT) and Fixed Asset Accounting Codes Table (FAAC) based on the fixed asset type, fixed asset transaction code, and fixed asset transaction type for the current fiscal year.

Fixed Assets Journals

The Fixed Assets Subsystem maintains current year journals and history files. These journals are used for reporting purposes. The list below names the journals and provides a brief description of each.

Current Fixed Asset Journal

Contains the details of all current year Fixed Asset documents, except for depreciation.

Closed Month Fixed Asset Journal

Contains the details of all Fixed Asset documents from the beginning of the year to the close of the last month.

Year-to-date Fixed Asset Journal

Contains the details of all Fixed Asset documents from the beginning of the year to the current date.

Additional Topics

Reporting Hierarchy for Fixed Assets

The Fixed Assets Subsystem supports fixed assets for real property and equipment:

Land

Buildings

Improvements other than buildings

Equipment, furniture

Construction work in progress

Vehicles

Antiques and artifacts

Other fixed assets

For reporting purposes, fixed assets can be classified in a hierarchy that describes what groups of fixed assets they are associated with. The classification hierarchy is broken down into three levels: class, category, and group. The lowest level, group, describes the fixed asset's classification in the most detail. The hierarchy looks like this:

<table>
<tr><td>

Class

Category Category

Group Group Group Group

</td></tr>
</table>

For a given class, there can be many categories, and within each of those categories can be many groups. This user-defined hierarchy

may be established with each fixed asset type or across all fixed asset types. To define the hierarchy, the following three tables are used to directly enter entries:

\#   Fixed Asset Group Class Table (FGCS)

\#   Fixed Asset Group Category Table (FGCT)

\#   Fixed Asset Group Table (FAGP)

Example:

An IBM PS/2 Model 60 is purchased, and you decide that you want the PC to be included in the classification hierarchy for reporting purposes. At the highest and most general level, class, the PC could be grouped as office equipment. A category within the class that the PC would be associated with could be computers, with the group being IBM PS/2's.

Please note that IFMS does not enforce a hierarchy within the use of these codes. A hierarchy represents a typical use of the tables.

Performing Mass Revaluations of Fixed Assets

When an asset is acquired, a valuation is assigned to it at the time the asset is recorded in the Fixed Assets Subsystem. This amount is independent of the acquisition cost or book value of the asset. It may be used for either the insurance value or replacement value of the asset. In most cases, this valuation amount will change over time.

There are two methods by which an asset valuation can be updated. Asset valuations can be updated on an item by item basis by entering a Fixed Asset Acquisition Transaction (FA) or a Fixed Asset Betterment Transaction (FB) with a modification action and entering the new valuation amount and valuation date. The entered amount and date replaces the existing amount and date on the Fixed Asset Betterment Table (FBT1). The entered valuation will also be used to

increase or decrease the valuation amount in the Fixed Asset Summary Table (FASM). Alternatively, mass revaluations can be computed using the Fixed Asset Mass Revaluation process.

Mass revaluations can be performed at any time by running the Fixed Asset Mass Revaluation process. You must supply the parameters to be used when running the program in the Fixed Asset Valuation Table (FVAL). Mass revaluation of assets is based on the fixed asset type, the fixed asset group, class, or category, and the number of years that have passed since the fixed assets were last revalued. A revaluation method is also entered.

Methods of Revaluation

There are two methods that can be used in mass revaluation of assets:

The old valuation amount can be increased, decreased, or replaced by a specified dollar amount.

The old valuation amount can be increased or decreased by a specified percentage.

Different multiplication factors may be specified for the same kind of asset based on the number of years since last valuation. This is to allow for adjustment of inflationary effects.

A given revaluation method may be applied to all fixed assets falling within a specified Fixed Asset group, within a group class, or within a group category. If overlapping revaluations are specified, a class overrides a category and a group overrides both class and category.

When using the Obligation Link Model, an obligation transaction must be the first transaction in the asset acquisition chain - it must precede all other fixed asset related transactions.

? **Note:** If the asset or betterment did not previously have a valuation amount, the acquisition cost is used as the basis of the revaluation.

Purging Fixed Asset Disposition Entries

When an asset has been disposed of, i.e., a Fixed Asset Disposition Transaction (FD) has been processed, it remains in the Fixed Assets Subsystem until it is deleted by the Fixed Asset Disposition Purge offline process.

To identify the assets that have been disposed of before deleting the entries, review the Fixed Asset Disposition report. After reviewing this report, the Fixed Asset Disposition Purge process can be run to actually remove the disposed assets from the Fixed Assets Subsystem. At this time, the entries are placed in a history file that should be archived.

Fixed Asset GSA Excess Submission Process

A government agency may dispose of fixed assets through selling, donating, and trading fixed assets with other federal agencies. This process is administered and regulated by the General Services Administration (GSA). To facilitate the report of excess items to the GSA, you enter records on the GSA Excess Data Entry Table (FAXD) marking the fixed assets as excess to be reported to GSA along with any additional information. The GSA Excess Submission Process may then be executed. This process transfers a copy of the fixed asset record and the additional information to GSA.

When the bureau is told by GSA to dispose of the fixed asset, you will enter a Fixed Asset Disposition Transaction (FD). The workflow for processing this document is like that of any other fixed asset disposal. The Fixed Asset record will be marked as disposed. Fixed Asset and General ledger entries will be made just like those for other fixed asset disposal.

Obligation Link Model

The Obligation Link Model allows agencies to record an asset's cost based on the expenditure document without requiring fixed asset information to be entered on any of the associated purchasing or payable transactions. The Obligation Link Model does not allow fixed asset numbers to be coded on fixed asset obligation/expenditure transactions. The fixed asset acquisition transaction is required to reference the initial obligation. This is how the link between the obligation and asset is established.

The initial obligating transaction may be either an obligation or expenditure transaction, and can be any of the following:

Miscellaneous Order (MO), and all other obligation transactions (GO, CG, CO)

Payment Voucher (PV)

Direct Disbursement (DD)

Standard Voucher (SV)

The unit acquisition cost will be calculated by the total amount expended divided by the quantity ordered.

Example:

An obligation is made for the purchase of five PC's that cost $2000 each. A Miscellaneous Order Document (MO) is entered with the amount of $10,000 and quantity of five. IFMS will determine that the Budget Object Code (BOC) refers to a fixed Asset.

A Fixed Asset Acquisition Transaction is entered for one of the PC's that was purchased. The FA transaction will reference the Miscellaneous Order Document by the Ref Doc ID field entered. A record is created on the Fixed Asset Expenditure Link Header Table (FAEH) and Fixed Asset Expenditure Link Line Table (FAEL) keyed by the Miscellaneous Order Transaction (MO) ID and line number, and the count on FAEH is set to 1.

A Payment Voucher Transaction (PV) is then entered for $5000 that references the initial Miscellaneous Order Transaction (MO) and the expended amount on the Fixed Asset Expenditure Link Header Table will be $5000. On the Fixed Asset Summary Table (FASM) and the Fixed Asset Status Table will show $1000 for unit acquisition cost of the PC $(5000 \div 5)$.

Fixed Asset Acquisition Transactions (FA) are then completed for the remaining four PC's. A payment of $5000 is then issued with a Payment Voucher Transaction (PV). This will add $5000 to the expended amount on the Fixed Asset Expenditure Link Header Table (FAEH) and the Fixed Asset Subsystem will then increment on the Fixed Asset Summary Table (FASM) and Fixed Asset Status Table (FAST) the acquisition cost for each of the five PC's by $1000, making the unit acquisition cost for each $2000.

For betterments, the process is similar, except that the Fixed Asset Betterment Tables are also updated when a Payment Voucher Transaction (PV) is entered.

Fixed Asset Physical Inventory

To record that physical inventory has been performed for an asset, a property officer may use the Fixed Asset Physical Inventory Table (FAPI). This table is used by property officers to enter verification that physical inventory of individual assets has been performed. The entries in this table are established by the off-line Fixed Assets Indicator flag on the FAOP table is set to Y. Entries initially appear on this table with an Inventory Performed Indicator of N, indicating that the asset has not yet been inventoried.

The Inventory Performed Indicator should be changed to Y when a physical inventory is successfully performed. The Last Inventory Date on the Fixed Asset Summary Table (FASM) will be updated using the Inventory Completion Date from the FAPI table. The entry will then be deleted from the FAPI table.

Fixed Asset Extended Security

Fixed Asset Extended Security provides security for the Fixed Asset Subsystem in addition to CORE foundation software. When utilized, FA Extended Security controls user access and updates to several Fixed Asset tables and transactions. The Fixed Asset Options Table (FAOP) and the Fixed Asset Extended Security Table (FSEC) regulate which users have the ability to access protected records.

The activation of FA Extended Security is controlled by the Fixed Asset Options Table (FAOP). The Use FA Extended Security Table flag on the FAOP table determines whether FA Extended Security will be invoked for Fixed Asset Subsystem tables. If this flag is set to N, Fixed Asset Extended Security will not be invoked and access to the Fixed Asset Subsystem tables will only be controlled by CORE security features. If this flag is set to Y, FA Extended Security will be invoked.

Utilizing FA Extended Security

Entries on the FSEC table determine access for IFMS User IDs based on custodial code, custodial organization and/or location. IFMS Users must have FSEC records to view records protected by extended security. If a Use FSEC flag is set to Y on FAOP and no entry exists for this field on the user's FSEC record, the user will not be able to view or update records protected by FA Extended Security.

The FSEC table access keys are maintained on the FAOP table and determine the type of restrictions enforced on Fixed Asset Subsystem users. The Use FSEC flags on the FAOP table determine which FSEC table fields will be compared to the fixed asset table fields to determine if a user may view or update a particular table record. At least one of the following fields on the FAOP table must be set to Y in order to enforce the desired restriction on users:

Use FSEC Custodian

Use FSEC Custodial Org

Use FSEC Location

Suppose FAOP's Use FA Security and Use FSEC Location flags are set to Y. An entry on FSEC exists for a IFMS User ID Equal to USER-01 with an Access Type of U and a Location of WASHINGTON. Every time USER-01 attempts to update a record protected Fixed Assets Subsystem table of process a fixed asset transaction, the location associated with the asset will be compared to the Location field found on USER-01's FSEC entry. USER-01 will only be allowed to access and update table records or process transactions for assets that are associated with a location of WASHINGTON. USER-01 will be denied access to view table records or process a fixed asset transaction for an asset whose Location value differs from WASHINGTON. IF USER-01's Access Type on FSEC was set to Q, USER-01 would only be able to view table entries for assets associated with a location of WASHINGTON. USER-01 would not be able to update table records or process transactions for assets associated with this location.